

PD6 Exh 6



# WALGREENS COMPLIANCE PROGRAM OVERVIEW 2017

*“...the Success of Any Business Depends Entirely Upon the Character of the People Conducting It.”*

**Charles R. Walgreen**

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## **I. INTRODUCTION**

Walgreens is committed to acting with integrity, honesty, and in full compliance with company policies and procedures, accreditation standards, and all federal, state and local laws governing its business. Walgreens has established and maintains an effective compliance program, which creates a framework for legal and ethical compliance by Walgreens employees and business partners. If Walgreens discovers violations of law or company policies, it investigates the matter and, as appropriate, takes disciplinary action and implements corrective measures designed to prevent future violations. The elements of Walgreens compliance program mirror the requirements of effective compliance programs recommended by the Office of the Inspector General (OIG) and the Federal Sentencing Guidelines (FSG).

### **COMPLIANCE PROGRAM OBJECTIVES AND GOALS**

Walgreens compliance program helps establish an organizational culture that promotes preventing, detecting, and resolving instances of conduct that do not follow company policies and procedures, and federal, state, and local laws governing its business. The compliance program promotes monitoring compliance with applicable corporate, statutory, regulatory, accreditation, and other standards governing its business. The compliance program focuses on

- Creating an environment where business is conducted with integrity, honesty, and in full compliance with company policies and procedures, accreditation standards, and federal, state and local laws governing its business
- Reducing the risk of illegal or improper behavior, including fraud, waste, and abuse

## **II. WRITTEN POLICIES AND PROCEDURES**

To effectively operate its compliance program, Walgreens has written standards, policies, and procedures. These include the Walgreens Boots Alliance (collectively “WBA”) Code of Conduct and Business Ethics (collectively “Code”), Pharmacy and Health Care Professionals Commitment to Compliance, Open Door Policy, No Retaliation Policy, Deficit Reduction/False Claims Act Policy, and others. These documents describe Walgreens commitment to acting with integrity, honesty, and in full compliance with company policies and procedures, accreditation standards, and federal, state and local laws governing its business. These written standards also explain what Walgreens values and what it expects from employees and business partners, clarifies and establishes internal standards for following laws and regulations, and helps employees and business partners understand the consequences of non-compliance. The policies and procedures help Walgreens detect, prevent, and control fraud, waste, and abuse.

## **III. GLOBAL CHIEF COMPLIANCE AND PRIVACY OFFICER**

To help create a successful compliance program, WBA has designated a global chief compliance and privacy officer who has direct access to the WBA governing body, chief executive officer, all other senior management and legal counsel. By coordinating and communicating with direct reports, the global chief compliance and privacy officer plans, implements, and monitors the compliance program.

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The global chief compliance and privacy officer has the authority to review all documents and other information that relate to compliance activities. The global chief compliance and privacy officer also identifies patterns that require changes in policy and works with executive leadership and WBA governing board to resolve compliance issues.

The global chief compliance and privacy officer has access to the executive leadership team to bring forth matters related to WBA's compliance policies, program, and procedures to ensure compliance with company policies and procedures, federal, state and local laws governing its business, and other relevant compliance standards.

#### **IV. TRAINING AND EDUCATION**

A critical element of the program is educating and training its employees on their legal and ethical obligations. WBA's education and training program:

- Promotes an understanding of the Code, Pharmacy and Health Care Professionals Commitment to Compliance, compliance policies and procedures, and compliance with laws governing its business
- Enables implementation of the compliance program's policies and procedures
- Ensures that employees understand their roles in the compliance process
- Demonstrates WBA's commitment to compliance and to ensuring that commitment is carried out throughout the organization
- Communicates the effect that governmental requirements have on WBA's business activities to improve skills in identifying compliance issues

Walgreens is committed to communicating its ethics standards and procedures to all affected employees. Ongoing programs include attestations of employees' knowledge and understanding of the Code, the Pharmacy and Health Care Professionals Commitment to Compliance, and mandatory on-line training for new employees.

Specialist training is given to employees, whose jobs include submitting and reimbursing claims, including dispensing, billing and reimbursement, and marketing. Walgreens trains employees on initial hire when legal requirements change, or in response to a finding of non-compliance.

#### **V. EFFECTIVE LINES OF COMMUNICATION**

Walgreens promotes dialogue between management, employees, and business partners. All employees and business partners, when seeking answers to questions or reporting potential instances of non-compliance or fraud, waste, and abuse, will know whom to contact for a meaningful response and will be able to do so without fear of retribution. To that end, an open-door policy and confidentiality and non-retaliation policies have been published and must be followed. To encourage further open lines of communication regarding potential violations, Walgreens employees can anonymously report any potential violations.

As part of its commitment to ethical and legal behavior, Walgreens requires its employees and business partners to report any actual or suspected violations of law, fraud, waste, abuse, or ethical standards so that the violations can be investigated. Employees can raise their concerns in many ways

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including contacting an appropriate member of management, through Employee Relations, Legal, or Compliance Office, by calling our toll-free, 24-hour, anonymous hotline 855-WAG-CODE or 855.924.2633, e-mailing [compliance@walgreens.com](mailto:compliance@walgreens.com), or reporting via the Internet at [tnwgrc.com/walgreens](http://tnwgrc.com/walgreens).

## **VI. ENFORCEMENT OF STANDARDS**

Walgreens compliance program includes guidance regarding disciplinary action for corporate officers, managers, and employees who fail to follow Walgreens standards of conduct, policies and procedures, and laws governing its business. The compliance program includes a written policy explaining the degrees of disciplinary actions that may be imposed for failing to comply with the standards, policies, applicable statutes, and regulations. Disciplinary actions may range from verbal warnings to termination.

Following the Code and Pharmacy and Health Care Professionals Commitment to Compliance is a condition of employment at Walgreens. Employees who violate these codes of conduct can be subjected to serious disciplinary measures, including termination of employment. A team member's obligations under the Code and Pharmacy and Health Care Professionals Commitment to Compliance include observing all laws and regulations applicable to the Company and following ethical standards, and relevant Walgreens policies and procedures. Although each situation is considered individually, Walgreens strives to ensure consistent and appropriate disciplinary action is taken when a team member violates a law, regulation, policy, or other standard.

## **VII. PROMPT RESPONSE TO DETECTED OFFENSES AND CORRECTIVE ACTION**

The compliance program requires Walgreens management to respond promptly by investigating potential violations of law or Company policy, taking appropriate disciplinary action when necessary, and preventing future violations. The analysis includes assessing whether the violation is in part due to gaps in policies, practices, or internal controls, and repairing such gaps. The compliance program investigates these gaps and follows a corrective action protocol to ensure that allegations are investigated promptly, completely, and objectively. The nature and thoroughness of the internal investigation varies according to the circumstances. If necessary, the global chief compliance and privacy officer may ask for assistance from Asset Protection, Internal Audit, Employee Relations, or Legal Counsel during internal investigations. When an internal investigation concludes, corrective action and preventative measures are chosen and applied.

## **VIII. MONITORING AND AUDITING**

The compliance program incorporates monitoring, auditing, and evaluating compliance with the Company's compliance policies and procedures, and federal, state and local regulatory bodies. The nature, extent, and frequency of audits or assessments vary based on many factors, including new regulatory requirements and changes in business practices. New and emerging risks in business practices are identified during audits or assessments. These assessments help confirm compliance with internal policies and procedures and federal, state and local regulations and help Walgreens identify possible misconduct. Additionally, the process helps identify areas where compliance standards have

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not been fully understood or fully applied, allowing Walgreens to correct any oversight or resulting non-compliance through various training mechanisms and policy and procedure updates if applicable.

## **IX. DETECTION OF FRAUD, WASTE, AND ABUSE**

Walgreens takes compliance with CMS's regulations on fraud, waste, and abuse (FWA) very seriously and has the following policies and programs to ensure that employees understand their responsibilities related to preventing and reporting potential instances of FWA.

### **Code of Business Conduct**

The Code provides the framework under which all employees must conduct themselves when doing their jobs. A copy of the Code is on the WBA website under [www.wba.com](http://www.wba.com). >Investor Relations>Corporate Governance>Code of Conduct and Business Ethics.

As part of the Code attestation process, employees attest that they are aware of the Code and their responsibility to understand and follow it.

### **Pharmacy and Health Care Professionals Commitment to Compliance**

The Pharmacy and Health Care Professionals Commitment to Compliance provides the framework for appropriate pharmacy and health care professional conduct by those team members who work in the following functions: pharmacy and healthcare facilities, distribution and return center activities involving the handling of prescription drug inventory, and support center activities related to pharmacy and healthcare services, sales or claims processing.

Some of the conduct specifically required by the Pharmacy and Health Care Professionals Commitment to Compliance includes:

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- Performing pharmacy dispensing practices in accordance with requirements related to Good Faith Dispensing, Controlled Substances, PSE, Drug Utilization Review, Therapeutic Substitution and others
- Maintaining proper and current licensure, certification and/or credentialing as required by job function
- Practicing within scope of care, license and certification
- Providing accurate and complete documentation
- Ensuring accurate code assignment for services/products provided
- Proper handling, storage and disposal of drugs and hazardous waste
- Proper access, use and disclosure of personal health information, and maintaining appropriate safeguards for such information
- Preparing and submitting timely, complete and accurate claims for reimbursement
- Identifying and refunding overpayments
- Maintaining the integrity of patient health care records and billing-related documentation

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- Acting within appropriate boundaries in the delivery of patient care and customer service
- Billing only for prescriptions and health care services that are actually provided and are medically necessary and ordered by a physician or other appropriately licensed individual
- Ensuring that all information entered into Walgreens billing systems accurately reflects the services provided and is supported by documentation in the patient record according to regulatory requirements and guidelines
- Prompt notification to management upon identifying information related to a possible overpayment or submission of potentially false or fraudulent information associated with a claim for reimbursement

All affected team members must read and confirm their understanding of the Pharmacy and Health Care Professionals Commitment to Compliance upon hire and annually thereafter.

### **Deficit Reduction/False Claims Act Policy**

The Deficit Reduction/False Claims Act Policy (DRA Policy) states that Walgreens is committed to following all federal and state health care laws, regulations, and guidelines relating to Medicare, Medicaid, and other government health care programs including the False Claims Act. According to Walgreens DRA Policy, all employees are responsible for reporting any instances of fraud, waste, and abuse. Employees are provided specific information on federal and state false claims acts.

### **Reporting Non-compliant/FWA Situations**

As part of its process to identify potential FWA situations Walgreens maintains a 24/7 toll free hotline 855-WAG-CODE or 855.924.2633. Information received through the hotline can be reported anonymously and is investigated by the compliance office. Walgreens compliance office follows a comprehensive investigation protocol to ensure that prompt, complete, and objective investigations of allegations regarding potential violations of law, company policy, or instances of FWA are completed. In addition to the Walgreens hotline, investigations may begin from items reported to the Compliance Office group e-mail box or as the result of issues identified through an audit, a call to a third party maintained hot line, or written or verbal reports made to a member of management.

### **Office of Inspector General (OIG) and General Services Administration (GSA) Exclusion Lists**

Walgreens has policies and procedures to review the OIG and GSA exclusion lists upon initial hire and monthly afterwards to ensure any team member involved in administering or delivering health care benefits is not excluded from federal health care programs. Additionally, the policies indicate that any team member on either list will immediately be removed from any work related directly or indirectly to all federal health care programs, and Walgreens will take appropriate corrective actions.

All new companies, vendors, and people doing business with Walgreens are screened to determine if they are on any State or Federal health care program exclusion list. All businesses with an existing relationship with Walgreens are screened periodically. Walgreens does not

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enter a business relationship with any person or business whose work relates to federal health care programs and is sanctioned or excluded by any government agency.

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